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State Name: Pennsylvania

State Plan Amendment (SPA)#: 15-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Two (2) SPA Pages



Financial Management Group

MAY 27 2015

Mr. Theodore Dallas, Acting Secretary
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
PO Box 2675
Harrisburg, PA 17110

RE: State Plan Amendment 15-0001

Dear Mr. Dallas:

We have completed our review of State Plan Amendment (SPA) 15-0001. This SPA modifies Attachment 4.19-A of Pennsylvania's Title XIX State Plan. Specifically, the SPA decreases 2015 funding for outpatient services access payments and creates a new DSH payment to facilities with similar characteristics to the outpatient access payment facilities.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 15-0001 effective January 1, 2015. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely yours,

/S/

Timothy Hill
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**1. TRANSMITTAL NUMBER:
15-0001**

**2. STATE
Pennsylvania**

**3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)
Title XIX**

**4. PROPOSED EFFECTIVE DATE
January 1, 2015**

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

**6. FEDERAL STATUTE/REGULATION CITATION:
42 CFR 447 Subpart C**

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 \$83,380,486
b. FFY 2016 \$62,764,638

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B, Page 4a
Attachment 4.19A, Page 21w

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):**

Attachment 4.19B, Page 4a
Attachment 4.19A, Page 21w

10. SUBJECT OF AMENDMENT:

Emergency Department Payments, Outpatient Access Payments and Disproportionate Share Hospital Payment for Enhanced Access to Emergency Services

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Review and approval authority has
been delegated to the Department of
Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME:

Theodore Dallas

14. TITLE:

Acting Secretary of Human Services

15. DATE SUBMITTED:

MAR - 6 2015

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 2675
Harrisburg, Pennsylvania 17110

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

MAY 27 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JAN 01 2015

20. SIGNATURE OF REGIONAL OFFICIAL:

/S/

21. TYPED NAME:

Kristin Fan

22. TITLE:

Deputy Director, FHC

23. REMARKS:

DISPROPORTIONATE SHARE HOSPITAL PAYMENT FOR ENHANCED ACCESS TO EMERGENCY SERVICES

(1) The Department will make disproportionate share payments to hospitals that meet all of the following criteria:

- (a) Is an acute care general hospital that operates an emergency department.
- (b) Is located in Philadelphia.
- (c) Provides at least 1,000 emergency department visits to Pennsylvania (PA) Medical Assistance (MA) patients per year.
- (d) Is not eligible for a disproportionate share payment for enhanced access to multiple types of medical care in economically distressed areas of PA as specified on page 21a of Attachment 4.19A.
- (e) Does not furnish acute care inpatient services to patients who are predominantly under the age of 18.
- (f) Did not exceed its Medicaid hospital-specific DSH limit for state plan rate year 2011 as calculated by the Department as of December 31, 2014.

(2) For each qualifying hospital, annual payment amounts will be determined as follows utilizing hospital data from State fiscal year 2009-2010 unless otherwise specified:

- (a) The Department will calculate an annual payment amount to qualified hospitals in the lower of the following amounts:
 - (i) The ratio of the hospital's MA Title XIX fee-for-service inpatient revenue to the total MA Title XIX fee-for-service inpatient revenue for all qualified hospitals multiplied by the amount of funds allocated by the Department for these payments. For this calculation data will come from the hospitals' FY 2011-12 MA hospital cost reports.
 - (ii) 2.91% of the hospital's net patient revenue.
- (b) If, after calculating the payment amounts in (2)(a), funds remain from the total funds allocated in the fiscal year for these payments, the Department will increase the payment amount of a qualified hospital for which payment was authorized under (a)(i) by an amount equal to the ratio of the hospital's FY 2011-12 MA Title XIX fee-for-service inpatient revenue to the total FY 2011-12 MA Title XIX fee-for-service inpatient revenue of all qualified hospitals for which payment was calculated under (a)(i) multiplied by the funds remaining from the total funds allocated in the fiscal year. The total payments made to a qualified hospital pursuant to (2)(a) and (b) shall not exceed 2.91% of the hospital's net patient revenue.

For State Fiscal Year 2014-2015, the Department will allocate \$71.426 million for this payment. Beginning with State Fiscal Year 2015-2016, the Department will allocate an annualized amount of \$142.853 million for this payment.

EMERGENCY DEPARTMENT AND OUTPATIENT ACCESS PAYMENTS

- (1) The Department will make additional outpatient payments to hospitals that meet all of the following criteria:
- (a) Is an acute care general hospital that operates an emergency department.
 - (b) Is located in Philadelphia.
 - (c) Provides at least 1,000 emergency department visits in Pennsylvania (PA) Medical Assistance (MA) patients per year.
 - (d) Is not eligible for a disproportionate share payment for enhanced access to multiple types of medical care in economically distressed areas of PA as specified on page 21a of Attachment 4.19A.
 - (e) Does not furnish acute care inpatient services to patients who are predominantly under the age of 18.
 - (f) Is not eligible to receive a disproportionate share payment for enhanced access to emergency services as specified on page 21w of Attachment 4.19A of the current state plan.
- (2) For each qualifying hospital, annual payment amounts will be determined as follows utilizing hospital data from State fiscal year 2009-2010 unless otherwise specified:
- (a) The Department will calculate an annual payment to qualified hospitals in the lower of the following amounts:
 - (i) The ratio of the hospital's PA MA fee-for-service outpatient revenue to the total PA MA fee-for-service outpatient revenue for all qualified hospitals multiplied by the amount of funds allocated by the Department for these payments.
 - (ii) 2.91% of the hospital's net patient revenue.
 - (b) If, after calculating the payment amounts in (2)(a), funds remain from the total funds allocated in the fiscal year for these payments, the Department will increase the payment amount of a qualified hospital for which payment was authorized under (a)(i) by an amount equal to the ratio of the hospital's PA MA fee-for-service outpatient revenue to the total PA MA fee-for-service outpatient revenue of all qualified hospitals for which payment was calculated under (a)(i) multiplied by the funds remaining from the total funds allocated in the fiscal year.
 - (c) The total payments made to a qualified hospital pursuant to (2)(a) and (b) shall not exceed the lower of:
 - (i) The payment amount permitted by the hospital's OBRA 93 hospital specific limit
 - (ii) 2.91% of the hospital's net patient revenue.

For State Fiscal Year 2014-2015, the Department will allocate \$89.478 million for this payment. Beginning with State Fiscal Year 2015-2016, the Department will allocate an annualized amount of \$18.051 million for this payment. The Medicaid base and supplemental outpatient hospital payments in total may not exceed the UPL defined on page 4aa.